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ABSTRACT

This book provides Ohio citizens with information on school tax issues and levy campaigning. The material is presented in a structural step-by-step process that lends itself to the practical application for preparing a levy. This book is a guide to understanding various tax issues, tax reduction factors, and the changing tax duplicate that affects school districts. Four case studies are included. (SI)

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PLANNING, PROMOTING AND PASSING SCHOOL TAX ISSUES

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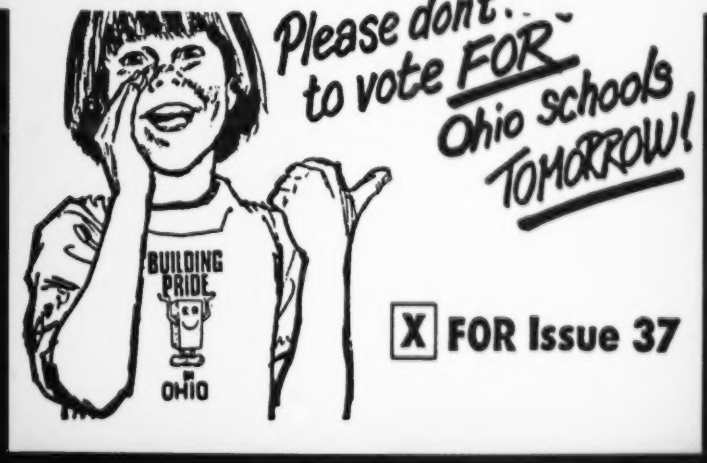

EA 020 471

by

ROBERT E. WHITMAN & NICHOLAS A. PETRUZZI

PLANNING, PROMOTING, AND PASSING SCHOOL TAX ISSUES

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Introduction

Why Study Tax Issues and Levy Campaigns?

Being successful in passing school tax issues is becoming more difficult in an age of inflation, high unemployment and increasing numbers of senior citizens on fixed incomes. Additionally most schools cannot assume that sufficient state aid of the future will continue to meet their financial needs. The solvency of schools is becoming more dependent on the local taxpayers. Therefore, selecting the appropriate tax issue to meet a school's needs as well as planning and implementing a successful levy campaign is of utmost importance.

This book was written to provide Ohio citizens with pertinent information on tax issues and levy campaigning. It is for students, teachers, boards of education, administrators, district residents, members of interested organizations, and those interested in acquiring an understanding of school tax issues and conducting a successful levy campaign.

The material presented is in simple terms. It is presented in a structural step-by-step process which lends itself to the practical application for those preparing for a levy.

Even though you may not be planning for a levy campaign at this time, you may wish to use this book as a guide or handbook to understand the various tax issues, tax reduction factors, and the changing tax duplicate that affects your school district yearly.

CHAPTER I
Tax Levy Planning

Making the Right Choice

School districts in need of additional revenue have a wide variety of tax levy options. Sound financial planning involves critical choices that will have a long-term impact on your school district's fiscal welfare. There is no one single levy plan that will serve the needs of all school districts in the same fashion. Selection of the right plan for your school district involves consideration of a large number of factors including such diverse matters as demographics, voter history, present and future school enrollment and composition of the tax base. Intelligent levy planning also involves a basic understanding of the tax levy process and the types of levies available. The following reviews some basic tax levy concepts and highlights some of the problems and pitfalls to be dealt with in the selection process.

Inside Millage

The term "inside millage" refers to a property tax authorized by the Ohio Constitution and levied each year by your school district without specific voter approval. The maximum rate of inside millage is limited to a combined total of ten mills.[1] However, because other taxing subdivisions also share in this millage, the actual rate levied by your school district is probably far less than ten mills. The exact rate is based on the average tax rates levied by your school district for debt service and operating expenses during the last five years before the Ohio Constitution was amended to reduce the unvoted tax limit from 15 mills to ten mills.[2] Some types of school districts, such as vocational school districts and county school districts have no inside millage.

Inside millage is a significant factor in the local revenue structure of most school districts for a number of reasons. First, because it is an unvoted tax its continued availability is not dependent on voter approval. Second, unlike most other types of tax levies available to your school district, inside millage is not subject to a tax reduction factor and will generate increased revenue as property values grow.[3] Third, although most often

[1] Ohio Constitution, Article XII, Section 2.
[2] R.C. § 5705.31(D).
[3] A more detailed discussion of the tax reduction factor is included later in this chapter on page 12.

used to fund current operating expenses, inside millage may be available to fund such diverse obligations as the payment of final judgments against the district in personal injury actions, the payment of interest and principal on unvoted school district bonds or the funding of a permanent improvement fund.[4]

While inside millage may be one of the more constant factors in your school district's revenue picture, it is important to keep in mind that the continued availability of that millage is not guaranteed. For example, it would appear that a school district might possibly be required to give up a portion of its inside millage if that millage were necessary to ensure payment of debt obligations (such as bonds or notes) issued by another taxing subdivision.[5] The ability to levy inside millage (or any other millage as well) in any year is also conditioned on the district having adopted a tax budget that reflects a need for the tax. Failure to adopt such a budget could result in loss of the tax revenue in that year.[6] In addition, the amount of inside millage available to your school district could be affected by territory transfers that result in the addition of school district territory subject to a lower rate of inside millage than the rate applicable to other property in your school district.[7]

Although school districts do not have the authority to bring about an increase over the lawful rate of unvoted "inside" millage, it is clear that this millage constitutes an important part of the local tax revenue picture. It is also clear that a district may voluntarily give up or, perhaps involuntarily, lose inside millage in some cases. Recognizing the benefits and potential problems associated with inside millage will also aid understanding of the other elements of your district's local revenue picture.

Voted Millage

The terms "voted millage" or "outside millage" refer generally to rates of property taxation outside the ten mill limitation that have been specifically authorized by vote of the electors. Numerous provisions of Ohio law govern the preparation and submission of tax levy issues to the voters and the levy and collection of those taxes following voter approval. Because these provisions of law are technical and the subject of frequent amendment by the legislature, you are encouraged to consult your school attorney prior to taking any action. The following

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[4] R.C. §§ 5705.04, 5705.05 and 5705.06. Note that boards of education are now required to budget and appropriate, annually, the full amount certified by the treasurer as necessary to pay any final judgment against the school district except judgments in condemnation of property cases. R.C. §§ 5707.08, 133.27.

[5] While the authors are not aware of a case in which this has occurred, it does appear that in appropriate circumstances a county budget commission might be empowered to reduce the inside millage of some taxing subdivisions to pay the debts of others. R.C. § 5705.31 (D).

[6] R.C. § 5705.341 *See also, Village of South Russel v. Budget Comm'n*, 42 Ohio St. 2d 126 (1984); *Village of Waite Hill v. Budget Comm'n*, 46 Ohio St. 2d 543 (1976); 1986 OAG Opinion 86-021. The courts have recently affirmed the right of a school district to reclaim any inside millage reduction in subsequent years. See *Strongsville Bd. of Edn. v. Lorain Cty. Budget Comm'n*, 38 Ohio St. 3d 50 (1988).

[7] Ohio Constitution, Article XII, Section 2; 1960 OAG Opinion 1371.

discussion outlines the various types of commonly used levies and the general procedural requirements applicable to those levies as of the time of this publication.

Tax Levy Options

Current Operating Expense Levies

School district operating levies may be authorized to provide additional revenue for the general fund. This fund is used for such expenses as salaries, utility costs and similar ongoing expenses of operating a school district. Operating levies are presented to the voters as a rate of taxation expressed in mills per dollar of valuation as well as in dollars and cents per hundred dollars of valuation.[8] Operating levies, or "current expense" levies as they are sometimes called, may be approved by the voters for either a specified number of years (up to a maximum of five) or for a continuing period of time.

As in the case of other tax levy issues, the process of submitting a current operating expense levy to the voters is begun by the adoption of a resolution of necessity by the board of education. The resolution of necessity must be adopted and certified to the county board of elections not less than seventy-five days before the day of the election.[9] Although there is no limit (other than the realities of voter preference) on the rate of tax that may be proposed to the voters, there is a limit on the number of times that a current expense levy may be proposed in any year and the specific days on which the election may be held. Ohio law limits a school district to three special elections per year on the question of approving a current expense levy. The submission of other types of levies, such as an emergency levy, is counted as part of the three available elections.[10] In addition, school districts are now limited to a total of four dates each year when school district tax levy issues may be presented to the voters. Those dates are the first Tuesday after the first Monday in February, May, August and November.[11]

The resolution of necessity must specify the type of levy proposed, the rate of the levy proposed, the purpose for which the funds will be spent, the election at which the issue will be voted, the period of time for which the levy may be imposed, and the time when the levy will first go into effect. It is important to note that a tax levy, once approved by the voters, becomes a lien on taxable property in the district for the entire tax year, regardless of the date on which the levy is approved. Because real estate taxes are basically collected and distributed during the year following the one in which the tax is imposed, your school district will not actually receive the revenue from a new

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[8] R.C. §§ 5705.21, 5705.25.

[9] R.C. § 5205.21. Note that the language of a resolution of necessity is critical. It is recommended that it be drafted by legal counsel.

[10] R.C. §§ 5705.21, 5705.194.

[11] R.C. § 3501.01.

operating levy until the year following the year of approval. This problem is alleviated somewhat by special borrowing authority that permits a school district to borrow in anticipation of the revenue from a new levy.[12]

Emergency Tax Levies

The second type of tax levy commonly used by school districts to provide additional operating revenue is the emergency tax levy. Emergency levies differ from the operating levies discussed above in a number of important respects. First, unlike operating levies, emergency levies do not propose a rate of taxation but rather a specific amount of money to be raised in each year the tax is in effect. Voter approval of an emergency tax levy includes approval of a tax at whatever rate is necessary to generate the specific amount required. Courts have ruled that the County Auditor must annually adjust the rate of taxation to produce the required amount of revenue even if that means imposing a higher actual rate of taxation.[13]

Questions are often raised about the particular kinds of circumstances that will justify the declaration of need for an emergency levy by a board of education. The statutes require only that the resolution of necessity recite that "... the revenue which may be raised by all tax levies which the district is authorized to impose, when combined with state and federal revenues, will be insufficient to provide for the emergency requirements of the school district or to avoid an operating deficit...." There are no known instances of court challenge to a properly adopted resolution of necessity for an emergency tax levy on the grounds that there was not, in fact, a genuine emergency. Court decisions regarding other types of board decisions would suggest that such a determination is within the exercise of sound discretion by the board and it is unlikely that a court would overturn the board's decision.

The process of obtaining voter approval for an emergency levy generally tracks the operating levy process, with some important exceptions. First, the resolution of necessity becomes a two-step process with the first resolution being certified, not to the county board of elections but rather to the County Auditor not less than eighty days before the day of the election. That resolution must recite, generally, the necessity for the emergency levy, the purpose of the levy and the amount of money to be raised each year that the levy is in effect. Emergency tax levies may have a duration of one to five years. The continuing period of time option is not available in the case of an emergency levy.[14]

The County Auditor is required, within five days following receipt of the board's resolution of necessity, to calculate and certify to the board of education the rate of taxation required

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[12] R.C. § 5705.21.

[13] *Bd. of Educ. of Genoa Area Local School Dist. v. Bd. of County Comm'rs* (unreported, Ottawa County Common Pleas, Case No. 21848, April 7, 1983).

[14] R.C. § 5705.194.

to produce the amount of revenue determined necessary by the board of education. That rate is estimated based on current property values and, for this purpose, it is assumed that those values will remain the same throughout the life of the proposed emergency levy. After receiving the County Auditor's certification, the board of education, if it desires to proceed, must then certify its initial resolution, together with the County Auditor's certification, to the county board of elections. That certification must take place not less than seventy-five days before the day of the election.[15]

As in the case of the operating levy, the school district will not realize the proceeds of a new emergency levy until the year after the year the issue is approved by the voters. Also as in the case of the operating levy, the statutes provide special one-time borrowing authority. However, in the case of the emergency levy the borrowing authority is somewhat greater than in the case of the operating levy.[16]

Permanent Improvement Levies

The same provisions of Ohio law that authorize boards of education to submit operating and emergency tax levies to the voters also authorize the submission of permanent improvement levies. Permanent improvement levies are different from operating and emergency levies in that permanent improvement levy funds may only be used for the purpose specified in the resolution of necessity and ballot language. In general, a permanent improvement is defined as any property, asset or improvement with an estimated useful life of five years or more.[17] Permanent improvement levies, although often used to fund improvements to school facilities may, if the purpose is stated properly, be used to fund other types of expenditures such as the acquisition of school buses.

Although most permanent improvement levy issues are submitted to the voters as rate-based (i.e., mills per dollar of valuation) levies, it appears that the emergency levy statutes may also be used as a vehicle for the submission of permanent improvement levy questions to the voters. Regardless of the manner in which the permanent improvement levy question is presented (i.e., as a proposed rate of taxation or as a tax to produce a fixed dollar amount) it is clear that permanent improvement levies must be limited to a specific number of years, not exceeding five. The specific procedures to be followed in the adoption and filing of the resolution of necessity, however, depend on whether the permanent improvement levy is submitted as a rate-based levy or an emergency levy.[18]

Keep in mind that during the life of a permanent improvement tax levy, the levy will provide an income stream that is,

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[15] R.C. § 5705.195.

[16] R.C. § 5705.194. An amount up to the total estimated proceeds to be received during the first year of the levy may be borrowed.

[17] R.C. § 5705.01 (E).

[18] Compare R.C. § 5705.21 with R.C. § 5705.194.

by law, limited to the purposes described in the initial resolution of necessity. If the purpose is stated too narrowly, the board may later find the revenue unavailable for a needed improvement. On the other hand, an improperly worded purpose clause could jeopardize the ability of the board to sell tax anticipation notes or, in an extreme case, could jeopardize the levy itself.[19] A permanent improvement levy may be used to fund large, one-time improvements in either of two ways; first, proceeds of the levy can be accumulated from year to year until enough funds have been received to pay for the improvement or, second, funds can be borrowed in anticipation of the receipt of the permanent improvement funds, the cost of the improvement can be funded, and then the tax anticipation notes can be repaid as the funds are received from the permanent improvement levy. In those instances when a significant amount of funds are needed within a short period of time, as in the case of construction of a school building or a major renovation, consideration should also be given to the use of a bond issue.

Recent legislation has expanded the ability of a board of education to borrow in anticipation of the proceeds of a permanent improvement levy. Formerly, the maximum amount that could be borrowed in anticipation of tax receipts was limited to fifty percent of the entire anticipated proceeds over the life of the levy. Boards are now permitted, under some circumstances, to borrow an amount up to the entire anticipated proceeds to be received over the life of the levy less interest charges. In order to borrow more than fifty percent of the anticipated proceeds a board of education must have made an initial borrowing and spent, encumbered or contracted the proceeds of that borrowing. Such a board of education may then apply to the Superintendent of Public Instruction for authorization to borrow against all, or a portion of the remaining proceeds of the issue.[20]

Bond Issues

School district bond issues have traditionally provided the means of funding major school district capital expenditures. The primary reason for the use of bond issues to fund these types of expenditures lies in the fact that a school district can, through the sale of bonds or notes in anticipation of bonds, generate all of the needed revenue before the project is begun.[21] While it is possible to fund capital improvement projects through other means, bond issues are by far the most commonly used means of funding major capital projects for school districts.

Bond issues, like tax levy issues, are begun by the adoption of a resolution of necessity by the board of education. That resolution must be adopted not less than one hundred ten days before the election. As in the case of emergency tax levies, a

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[19] *See, e.g.*, R.C. § 133.10, which limits Resolutions of Necessity for bond issues to a single purpose.

[20] R.C. § 5705.211 as enacted in Am. H.B. 112, effective February 9, 1988.

[21] School districts are prohibited from entering into contracts unless the necessary funds are on hand or in the process of collection. R.C. Sections 5705.41, 5705.412.

resolution proposing a bond issue must set forth the specific amount to be raised, the purpose for which the funds will be used and the anticipated duration of the issue. The maximum duration of the bond issue is determined by the nature of the improvement to be financed by the issue. In the case of a bond issue proposed to finance school facilities, the maximum duration of the issue is determined by a statutory formula that includes a weighted average of the relative costs apportioned to various elements of the project such as the acquisition of land, construction of the buildings, equipment of the buildings and landscaping. The maximum duration of the bond issue is determined by the school district treasurer and must be included in the resolution of necessity proposing submission of the issue to the voters. Because that determination will generally be based on cost estimates developed by the project architect, it is advisable to consult the architect well in advance of the time the resolution of necessity for the issue must be adopted by the board of education.[22]

The resolution of necessity first must be certified to the County Auditor with a request that the auditor calculate and certify to the board of education the average annual levy needed to pay the interest on and retire the bonds as they come due. The board of education, if it desires to proceed after receipt of that information, then must certify its resolution of necessity to the county board of elections not later than 4:00 p.m. of the seventy-fifth day before the day of the election.[23] Bond issues, as presented to the voters, actually request voter approval to do two things: to issue and sell bonds to produce the needed amount for the specified purpose and to levy a tax on whatever rate may be necessary to pay the interest on and retire the bonds as they mature.[24] Bond issues may be submitted to the voters on any of the election days available for the submission of tax levy questions but it would appear that a school district is limited to a total of two special elections in any one year.

Vocational School District Tax Levies

As a general rule the purpose of a tax levy is determined at the time the initial resolution of necessity is adopted. Once so determined, the purpose cannot thereafter be changed. In addition, tax levy resolutions are limited to a single purpose. One important exception to these limitations is available only to vocational school districts. Vocational school districts, in addition to the availability of the other school district tax levy statutes already discussed, have a special statutory provision that enables the submission to the voters of a proposed levy that may include both current expenses and permanent improvements and that may provide for different allocation of millage between the two

[22] R.C. § 133.20. In most cases, bonds issued to finance school district construction projects will have a maximum duration of approximately twenty-three years. Bonds for other purposes may have a longer duration.

[23] R.C. § 133.08.

[24] R.C. § 133.13.

purposes during each of the years the levy is to run. Vocational levies of this type may have a maximum duration of ten years.[25]

Renewal of Expiring Tax Levies

Proposals for the renewal of expiring school district tax levies have traditionally fared far better at the ballot box than proposals for new levies. Expiring school tax levies, whether operating, emergency or permanent improvement levies, may be submitted to the voters as "renewal" issues. The time limits for resolutions of necessity, available election dates and other procedural requirements are essentially the same for the proposition of renewal levies as for initial levies. There are, however, some restrictions on the time when renewal levies may be submitted to the voters. As discussed above, the proceeds of a tax levy are, for the most part, received in the year following the year that the tax is levied on the tax duplicate. For example, a one-year tax levy approved by the voters at any of the available elections in the current calendar year would be levied against the tax duplicate for the current calendar year. However, the proceeds of that one-year levy would not actually be received until the next year, at a time when our hypothetical one-year tax levy has since expired and is no longer in existence. Apparently mindful of these circumstances, the General Assembly has now provided that expiring tax levies may be submitted to the voters for renewal either at the general election in the last year that the tax levy may be imposed on the tax duplicate, (almost a year in advance of the time the proceeds of the levy will no longer be received) or at any election during the final year that the proceeds of the levy will be received.[26]

The statutes governing the renewal of expiring tax levies also permit the submission of modifications to a renewal levy, such as a renewal and increase or renewal and decrease. Apparently, no authority, however, permits combining two expiring levies and proposing their renewal as a single issue. As you consider the renewal of an expiring levy, first review the discussion of the tax reduction factor in the following pages. The tax reduction factor may have a significant impact on the amount of revenue you will receive from your renewed tax levy.

Problems and Pitfalls in Tax Levy Planning

The Tax Reduction Factor

School district voted tax levies are applied to taxable real property in such a fashion that the proceeds of the levy will remain essentially the same from year to year, regardless of changes in the value of the real property subject to the tax. This is accomplished through the application of a tax reduction factor — a calculation that determines the amount of money to be raised by a tax levy as applied to taxable real property in any year.

[25] R.C. § 3311.21.
[26] R.C. § 5705.25.

Not all tax levies are subject to a tax reduction factor. Inside millage, for example, is not subject to the reduction factor nor are levies required to pay debt obligations such as notes or bonds, or levies to produce a specified amount of money such as emergency tax levies. The primary levies that are subject to the tax reduction factor are school district operating levies and permanent improvement levies.

Tangible personal property and public utility personal property is taxed at the full voted rate of each of your school district's tax levies. No tax reduction factor is applied. Real property, however, is divided into two classes for tax reduction factor purposes. The first class, "Class A," consists of all taxable residential and agricultural property in the school district. The second class, "Class B," consists of all other taxable real property. Tax levies are subject to different reduction factors for each class of property.

For each of the classes of real property subject to the tax reduction factor, taxes are levied at an "effective rate" as opposed to the voted rate stated on the ballot and approved by the voters on election day. The effective rate may never be larger than the voted rate and is usually smaller. The effective rate is the rate of taxation after application of the tax reduction factor and is based on the difference between the value of taxable real property in the school district (by class) between the year *prior to* the year that the tax levy was first placed on the tax duplicate and the current year.[27] For example, if a new operating levy were approved by the voters in the current year at a voted rate of ten mills and in the current year reappraised values were placed on the duplicate increasing the value of residential and agricultural property in the school district by ten per cent, the new tax levy, though voted at the rate of ten mills would actually be levied in the first year at an effective rate of nine mills as applied to the residential/agricultural property duplicate. Tax reduction factors are calculated each year and will vary as real property values increase or decrease. For planning purposes it is important to remember that even new tax levies may be subject to a tax reduction factor.

Because of the application of different rates of taxation to different types and classes of property, at least three calculations are necessary to estimate a school district's revenue from local tax levies. The following chart demonstrates the types of calculations necessary. The following chart assumes, for purposes of illustration only, that the district has taxable real property with an assessed valuation of one million dollars in each of the two classes of real property, Classes A and B. The district also has tangible personal property with an assessed value of fifty thou-

[27] The tax reduction factor is based on the value of carryover property, that is, property that is on the tax duplicate in the current year and was on the duplicate in the previous year. Increases in the value of the tax duplicate resulting from the addition of taxable property to the tax duplicate are not included in the factor during the first year and thus the district will receive additional revenue from the additional property. R.C. § 319.301 (B).

sand dollars. All revenue estimates are done before the calculation of homestead or rollback reductions.

REVENUE CALCULATIONS

Operating Millage	*Assessed Value Taxable Property, By Class*			*Levy Yield*
	RES/AG	*Other*	*Personal*	
Inside 5.0	1,000,000	1,000,000	50,000	10,250.00
Voted Outside 20.0	XXX	XXX	50,000	1,000.00
Effective (RES/AG) 16.0	1,000,000	XXX	XXX	16,000.00
Effective (Other) 15.0	XXX	1,000,000	XXX	15,000.00

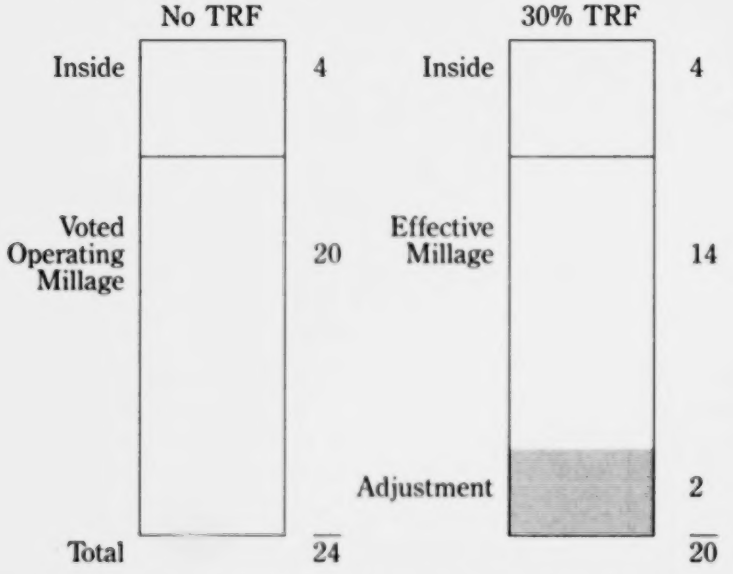
The application of a tax reduction factor to new rate-based operating or permanent improvement levies suggests a need for caution in estimating the proceeds of the new levy. Since the reduction factor is based on the difference in real property values between the year *before* the new levy was placed on the tax duplicate and the values in the year the levy was first placed on the duplicate, in most instances you will want to estimate the proceeds of the new levy based on the previous year's real property values rather than the values in the year that the levy is first placed on the duplicate. However, if the current year's values are *lower* than the previous year's, the estimated revenue should be based on the current year's values. Recall that a tax reduction factor may never result in a greater rate of taxation than that approved by the voters. In the case of declining taxable property values the reduction factor would be zero and the rate of taxation would not require any reduction.

Twenty Mill Floor

Continued growth in the value of taxable real property would necessarily result in increasingly large tax reduction factors being applied to a school district's voted tax levies with the effective rate of those levies becoming smaller each year. While application of the tax reduction factor does bring about this result, the General Assembly has established a "floor" of tax rate reductions. Once a school district's tax levies have been reduced to this floor, no further reductions will occur. This floor is generally referred to as the "twenty mill floor." At the present time the twenty mill floor consists of three different components; inside millage, effective voted millage, and any remaining portion of pre-1982 joint vocational school millage. Recent legislation now provides for phasing out the joint vocational school millage from

the calculation of the twenty mill floor for non-vocational school districts over a period of years from 1987 through 1990 and beyond, where necessary. At the same time, a separate "floor" of reductions is being phased in for joint vocational school district levies.[28]

It is important to note that only tax levies that are dedicated to the purpose of providing for current operating expenses are included in the twenty mill floor. While permanent improvement levies, for example, are subject to a tax reduction factor, they are not included in the calculation of the twenty mill floor. Once the total effective rate for all of the school district's tax levies that are included in the twenty mill floor reaches a total of twenty mills, no further reductions in the effective rate will be made. This result is reached by the calculation of a revised tax reduction factor adjusted to bring the combined total effective rate of the tax levies to twenty mills.

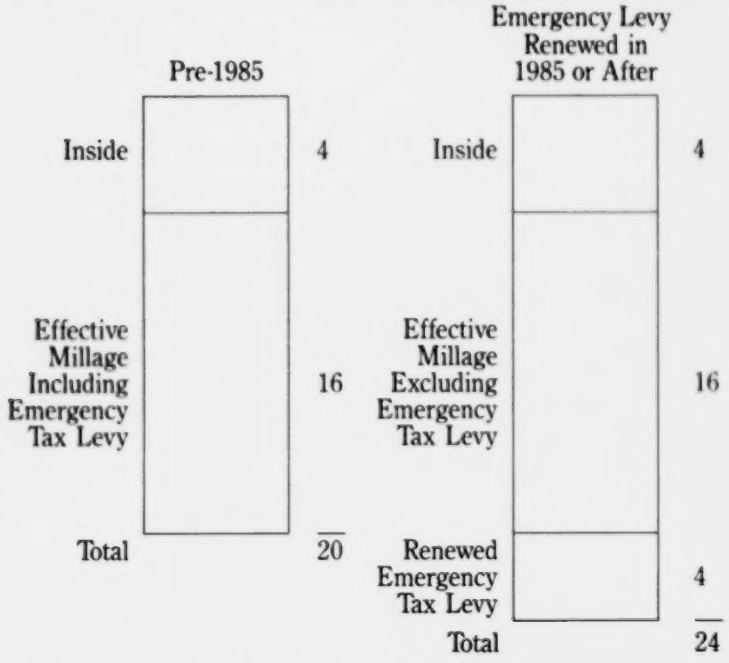


The chart above graphically demonstrates the application of the twenty mill floor to school district operating levies. For ease of reference, this example assumes that there is no pre-1982 joint vocational school millage and only one class of taxable real property. Prior to the application of tax reduction factors the district had four mills of inside millage (all of which was levied for the general fund) and twenty mills of voted operating millage, as shown in the example on the left. The example on the right reflects the effective rates of these levies after property values have increased by thirty percent. But for the twenty mill floor adjustment, the district would have had a total effective millage

[28] R.C. § 319.301 (E).

of only eighteen mills (four mills inside plus fourteen effective voted mills).

Application of the twenty mill floor may produce increased revenues for some school districts as those districts will receive the full benefit of any growth in the value of taxable real property. Difficult questions arise, however, when new tax levies have been approved by the voters when the district's tax levies have been reduced to the threshold of twenty mills. At least one circumstance is worthy of particular note. Prior to 1985, emergency tax levies were included in the formula for determining whether a school district had reached the twenty mill floor. In 1985, as the result first of administrative regulations implemented by the Department of Taxation and later legislative changes adopted by the General Assembly, emergency levies adopted or renewed after 1985 are no longer included in that calculation.[29] Thus, a district that would have reached the twenty mill floor but for the inclusion of an emergency tax levy in the calculation, which now proposes the renewal of that emergency levy, may find itself faced with the circumstance of having more taxing authority than it anticipated, because it will now receive an effective rate of twenty mills from its other levies *and* the full amount of the renewed emergency levy as well.



In the example above the district had an emergency levy for current operating expenses which had been approved by the

[29] R.C. § 319.301 (E) (1) (c); O.A.C. §§ 5705-7-01 to 5705-7-05.

voters prior to 1985. Under the procedures then in effect, the millage required to produce the emergency levy amounts was included in the calculation of the district's twenty mill floor. Upon renewal of that emergency levy in 1985 or after, the district will now receive twenty mills *plus* the full amount of the renewal emergency levy since the emergency levy is no longer included in the calculation of the twenty mill floor, and the district's other tax levies for current operating expenses (inside and voted combined) exceeded twenty mills.

Choosing the "Right" Levy Plan

The selection of the "right" tax levy proposal necessarily involves consideration, not only of the type of tax levy to propose but also the rate, duration and time of election. The discussion above has dealt exclusively with the types and duration of levy proposals available. Later chapters will deal with some of the considerations that go into the selection of the amount or rate of taxation and the best election day for the submission of the levy to the voters.

Some of the guidelines that you may wish to consider as you go about the process of choosing the type of tax levy to present to the voters include the following:

(1) If possible, avoid presenting levies to the voters in the years that reappraised or updated property values are placed on the duplicate.

This suggestion is based on the fact that your new operating levy will be subject to a tax reduction factor in its first year. That factor will be based on the difference in property values between the year *before* the levy was voted (the year before reappraisal or update) and the year the levy was voted (the year of reappraisal or update). Assuming that reappraisal or update results in higher property values, the tax reduction factor will also be higher.

On the other hand, property owners who believe their property was overvalued are likely to seek relief from the County Board of Revision. If, as the result of Board of Revision action (or subsequent appeals) those property values are subsequently reduced, the tax will actually be collected on the lower property values at least during the first year of the levy. Thus while the higher values were used to calculate an artificially high tax reduction factor and thus a lower effective tax rate, the tax is actually applied to the lower values.

(2) If you anticipate growth in the value of tangible personal property, consider the use of an additional operating levy. If you anticipate the loss of such property, consider an emergency levy.

Operating levies are rate-based levies that will be applied to tangible personal property at the full voted rate, without reduction. If the total value of tangible personal property increases, the yield from the operating levy will also increase, all other

factors remaining equal. Emergency tax levies, on the other hand, represent a guarantee of a fixed dollar yield in each year. No additional revenue will result from growth in the value of the tax duplicate. However, a decline in taxable value will not result in a loss of revenue to the school district.

(3) If your district spends a significant amount of money on capital expenditures, consider the use of a permanent improvement levy in lieu of an operating levy.

Voters have historically indicated some preference for "brick and mortar" issues for school districts over levies for current operating expenses. While the proceeds of a permanent improvement levy will necessarily be limited to the purposes stated in the resolution of necessity, the addition of funds for that purpose will "free up" those monies that would otherwise be spent from the general fund for the same purpose. In addition, the assurance of available revenue for needed maintenance and repairs may avoid the need for more costly repairs at a later time.

(4) Take advantage of any renewal options available.

The statistical information contained in later chapters demonstrates a significant voter preference for the renewal of school district tax levies over new levies. The probability of success in the renewal of an existing levy is, over all, significantly greater than the probable success of a new levy. Keep in mind, however, that a rate-based levy that has been reduced through the application of tax reduction factors will, when renewed, be applied to real property at the *reduced rate,* not the voted rate. Thus the district will not realize any *additional* revenue from the renewal of the existing levy unless it proposes the renewal as a "renewal and increase"; one of the options available under the renewal statutes. At the same time, care should be taken to avoid the need to present more than one renewal issue in the same year since there is no authority to combine expiring levies into a single issue for renewal purposes.

As noted above, one disadvantage of the renewal option lies in the fact that, as applied to real property, the renewed levy will be imposed at its effective rate, rather than the voted rate. Thus, for example, an operating levy that has been on the tax duplicate for the last five years in an area that has experienced significant growth in real property values may carry an effective rate substantially lower than the voted rate. If submitted to the voters as a renewal levy, the ballot language would contain reference to the initial voted rate as the rate of the levy while the actual rate that would be levied against real property in the event of renewal would be much lower.

CHAPTER 2
Levy Process

Overview and Timing of the Levy Process

Deciding upon preparing and selling a school tax issue is hard work. For the novice board member or school official, the process may be confusing at best. Nevertheless, it is important for those directly involved in making decisions regarding tax issues to understand the process of levy preparation and salesmanship if they are to be successful.

Below is a general overview of the levy process. Perhaps by grasping this outline, the reader will have a better understanding before going into the specifics of the process.

Overview

1. Deciding to place the issue on the ballot.
2. Board resolution to place the issue on the ballot.
3. Submission of the resolution to the board of elections.
4. Organizational chart of campaign.
5. Selection of campaign coordinator.
6. Selection of campaign advisory committee.
7. Development of subcommittee.
8. Campaign preparation and strategies.
   - Finance
   - Levy message and programs
   - Speakers' bureau
   - Publicity
   - Statistical analysis of precincts and past issues
   - Voter registration
   - Telephone contact
9. Record-keeping for board of elections.
10. Expressions of appreciation.
11. Review and wrap-up.
12. Preparation for future campaigns.

Timing

It is imperative that the levy process be correlated to the time table. Most school districts do not spend nearly enough time in preparing for tax issues. Although districts vary in a myriad of factors, a suggested time table is as follows:

- **Initial Planning — 4-6 weeks:** Developing resolutions, selecting campaign coordinator and advisory committee, and developing subcommittees.

CAMPAIGN OVERVIEW

- **Campaign Preparation — 6-8 weeks:** Soliciting financial support, developing levy message, scheduling programs and obtaining speakers, publishing materials, analyzing data, developing telephone lists and securing campaign workers.
- **Campaign Promotion — 4-6 weeks:** Publicizing information through television, radio, newspapers, newsletters, programs, coffee klatches, door-to-door contact, posters and telephone hotline.

Placing the Issue on the Ballot

Before placing a tax issue on the ballot, boards of education need to consider two factors: the millage or dollars requested and what the district residents are willing to support. To help answer those questions, the school officials should hold a district-wide finance meeting(s) with a cross-section of residents to discuss the district's needs and the request being considered. If it is obvious that the request is considered too high, the failure of the issue may be eminent. If the request can be reduced to the minimum, the board should consider this alternative and eliminate the wish list. Some success is better than no success.

The financial meeting should be used to gather other pertinent information. Since there is a hesitancy for many individuals to ask questions in a crowd, pass out a simple questionnaire. It should be completed and returned before the meeting is adjourned. One would be surprised at the wealth of information that can be obtained. Once this information is analyzed, the data will become invaluable in decision-making and campaign preparation and strategy. A sample questionnaire follows:

LEVY QUESTIONNAIRE

1. Did you get any new insights into our financial situation through this meeting? Yes____ No____
2. Were most of your questions answered? Yes____ No____
3. Are there other questions we need to consider? Yes ____ No____ (Please list)

   _____

   _____
4. Do you feel our proposed request is reasonable? Yes____ No____ (Please explain) _____

   _____
5. Do you think we should continue to wait? Yes____ No____
6. Should we prepare for a possible levy? Yes____ No____
7. Do you think our community would be receptive to a levy? Yes____ No____ (Please explain) _____

   _____
8. Would you be willing to serve on a levy committee? Yes____ No____
9. Are there any additional comments you wish to make? Yes____ (Please explain) No____ _____

   _____

   _____

   _____

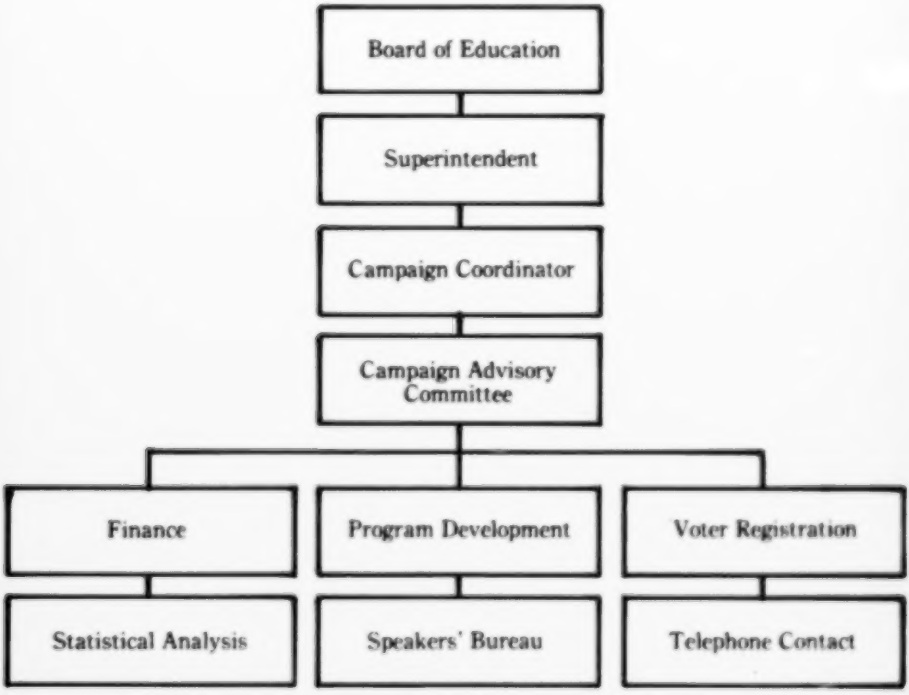
Preparation & Submission of the Resolution of Necessity

Once the tax issue has been decided, the board of education is required to pass a resolution of necessity to levy additional taxes. Although all issues vary procedurally, ultimately the board of elections receives the final resolution placing the tax issue on the ballot. It is important to be cognizant of several key areas:

1. Understand well the tax issue under consideration. Resolutions of necessity vary procedurally.
2. State accurately the purpose of the levy. Failure to do so may limit the intended purpose or nullify the resolution.
3. Allow ample time for preparation, board approval, and submission of the resolution to the board of elections. Be aware of deadlines.

Organizational Campaign Chart

Successful levy campaigns are not based on luck. Success is a result of hard work and organization. A poorly organized campaign is doomed for failure. From the outset of the campaign, an organizational campaign chart should be developed. It defines the duties of committee members and their subcommittees. An organizational chart may include, in part, the following:



Attitudinal Perspectives of Campaign Leaders

The success or failure of a school tax issue is greatly affected by the attitudinal perspective of the campaign leader (normally the school superintendent). Most attitudes can be divided into three categories: pessimistic, panic, and positive.

• **Pessimistic Attitude:** Too often campaign leaders are defeated before they start a levy campaign. They develop a pessimistic attitude. Frequently, their comments are: "We'll probably not pass this levy, but we'll give it our best shot;" or "People here will never pass a levy;" or "We don't stand a chance, but politically the employees expect us to do something." These comments are nothing more than defensive mechanisms to protect oneself in an arena where success is normally less than 50% on new tax issues. Be that as it may, negative thinking will greatly hamper the campaign. If the campaign leader does not make the "commitment" to prepare properly, he will not have the "confidence" to "control" the campaign as opposed to reacting to it.

• **Panic Attitude:** Whereas the pessimist is lethargic to the campaign, the panic-oriented leader is one who is overly challenged and overly committed. Because he is a highly motivated person in our results-oriented society, he tends to take on too many responsibilities during the levy campaign. He tends to develop a panic personality: nervous, hyper, "I gotta" do this or that. Ultimately, he, too, is not in control of the campaign, but reacting to it.

The irony of this attitudinal perspective is that although the campaign leader used achievement as a justification for his behavior, he does not achieve nearly what he could. His eagerness to get things done as fast as possible may result in errors, rote manner responses, lack of creativity, or consideration of different alternatives.

A nervous, overly challenged and overly committed campaign leader needs to restructure his schedule to allow for ample time for the campaign. This may mean letting some things go undone or delegating responsibilities to others.

• **Positive Attitude:** To develop a positive "We're going to win" attitude, the campaign leader must allow for the time to acquire a thorough knowledge of levy preparation, planning, and promotion. He then must take this knowledge and integrate it with his own particular strengths (ability to speak, motivate others, develop literature, etc.). Last, and perhaps most importantly, his attitude will then determine how well he will execute the knowledge he has learned into a successful levy campaign.

A well prepared campaign leader with a positive, winning attitude will transmit to his campaign workers his confidence, commitment, and control of the campaign process. This is critical if the workers are to develop similar attitudes of commitment to do those tasks that make the difference between winning and losing.

Superintendent

In reality, the unofficial campaign coordinator for most school districts is the superintendent. Granted, most campaigns generally have a coordinator or committee chairperson. In some instances, these individuals do provide the drive and leadership behind the campaign. However, the prudent superintendent understands the overwhelming responsibility that is his/hers when an issue is on the ballot.

Campaign Coordinator

One should not limit the significance of the campaign coordinator. Care should be taken in the selection process. Criteria for selecting the coordinator may include the following:

1. Consider having co-chairpersons, especially a man and a woman. Two influences representing different interest groups will only widen your campaign effectiveness.
2. The individual should be a well-known, widely respected member of the community. Do not underestimate the influence of an individual's name and/or position.
3. The individual must be a recognized leader, energetic and organized.
4. The individual must understand the community well.
5. Above all, the coordinator must have a positive mental attitude.

Selection of Campaign Advisory Committee

The selection of campaign advisory committee members is of utmost importance. It is important to get a good cross-section of community and in-school representation. The committee should include: minority representation, retired citizens, professionals, housewives, businessmen, farmers, teachers, classified employees, administrators, board members and students. Care should be taken to keep the committee within 10-15 members for maximum effectiveness.

The campaign coordinator and superintendent should not assume that because a person has agreed to be a member of the committee that he/she is convinced of the levy need. Sometimes people agree to participate because they do not want to say no, or that they will reserve making a total commitment until the need has been demonstrated. Care should be taken in the first meeting or two to carefully explain the issues to the committee. How effectively they function will be reflected by their commitment and belief in the levy need.

Development of Subcommittee

In most districts, the number of subcommittees will vary with the district size, coordinator philosophy, number of willing workers, etc. Usually, the larger the district, the more subcommittees, and the smaller the district the fewer one will have.

The most frequently recognized subcommittees in any campaign are finance, speakers' bureau, publicity and voter registration. In addition, this text will include developing the levy message and programs, statistical analysis of precincts and past issues, and telephone contacts.

Campaign Preparation and Strategies

Finance

The first prerequisite is to select a treasurer. Once the treasurer has been chosen, it is important to have a competent finance chairman. Frequently, campaign coordinators will have a banker on the advisory committee who serves in one of these two capacities.

A second consideration is deciding the amount of money that will be required to meet the campaign costs. Remember, money may not be appropriated from school funds and therefore has to be solicited. Most money is spent for advertising which includes television, radio and newspapers. Other costs may include printing, postage and paper supplies.

Most campaign receipts are generated by written letters or personal contact. Contributing groups normally include business and industry, booster groups, clubs and civic organizations. Other methods of raising money may include bake sales, ice cream socials, band concerts, car washes, etc..

It is not uncommon to solicit endorsements while soliciting finances. Care, however, should be taken. Many times companies, businesses and individuals for a variety of reasons are willing to contribute money but do not want their names mentioned. Since there are pros and cons as to the effectiveness of soliciting endorsements, each district must decide whether or not it is in its best interest.

Levy Message and Programming

One of the most important parts of any campaign is the development of the levy message. There are a variety of methods to present the levy message to the voters. Nevertheless, there are fundamental issues that must be addressed in developing one's message.

- **Rationale for the tax issue:** Spell out the rationale why you are going on the ballot. Reasons such as inflation, cut in state aid, loss of district wealth, and trying to remain competitive with neighboring districts must be explained.
- **Definition of tax issue:** Continuing, emergency and permanent improvement levies, as well as bond issues, are confusing to most voters. Clearly explain the issue and how it will be used.
- **Why a special election?** There are a lot of pros and cons on whether it is best to put a tax issue on the ballot for a general or a special election. The decision a district makes should be based on severity of need, analysis of past levy issues, state of the economy and whether other local issues are being presented at the same time.

Research seems to indicate that if a district has a well organized campaign designed to draw the positive voter to the polls, then chances for success may be greater at a special election with no competing issues. Nevertheless, if a special election (at an additional cost) is used, you must be prepared to explain why.

- **How have past moneys been spent?** Most taxpayers want to know if they have been getting their money's worth. One should be able to defend any expenditure whether it is salaries, textbooks, supplies or equipment. If the taxpayers feel their money has been well spent, they will be more supportive.
- **What measures have been taken to save money?** Schools are constantly being criticized for having too much "fat" in the budget. Residents want to see where cuts have been made

before "yet another request is being made."

It is important to communicate to the residents that schools are service-oriented, and as such, most of the expenses are for salaries of those who perform the services. Add to that the cost of retirement, Workers' Compensation, water, electricity, gasoline and insurance, only about 5-8 percent is left for textbooks, supplies and equipment. Still, it is important, however minor, to show where some cuts have been made to balance the budget.

- **What are our needs?** This is the key opportunity to tell the levy story. Many programs and written stories are built around operating and permanent improvement needs. Operating needs normally highlight increased costs due to hiring and maintaining quality employees, inflation, as well as outdated textbooks and malfunctioning equipment. Permanent improvement needs may include roof repairs, window replacement, equipment, and building alterations or additions.
- **How much will it cost?** Taxpayers are concerned about how much they are going to pay. When a tax issue is based on a property tax, this simple example can be used to give the taxpayer an indication of the cost of the levy:

Assume the average property value (what it would sell for) of the district in question is $50,000 and is assessed at 35 percent. The property would go on the tax list with an assessed value of $17,500. The assessed value is the figure used to determine what taxes will be paid. The assessed value is then multiplied by the millage request, say 4.50 mills. The answer of $78.75 is now reduced by the 12.5 percent rollback and the homestead exemption. The final cost to the average taxpayer is $68.91 per year. It is always good strategy to calculate this cost to a daily rate (19¢) or compare the cost to other goods and services.

Speakers' Bureau

Never underestimate the importance of the speakers' bureau. Although the majority of voters will not attend a program or presentation, those who may take the levy message to others. Therefore, it is important to make that message clear. The old teaching technique in English may be used as follows:

"First you tell them what you're going to tell them;
Then you tell them:
Then you tell them what you told them".

The introduction, body and conclusion is telling the message three times.

Usually, a message is best prepared by the use of visual aids (overhead transparencies, charts, graphs and posters). Probably the most effective approach is a slide/tape presentation with music for special effects. Again, the message should be based primarily on the levy definition and rationale as well as how past moneys were spent, measures taken to save, definition of needs, and how much it will cost. After the presentation, a fact sheet on the levy should be distributed to reinforce the message

presented.

The speakers should be individuals who are good speakers, know the levy facts well and are good at handling questions. Depending on the size of the district, it is best to have a team presentation. A team may include parents, senior citizens, students (with parental consent), board members, administrators and teachers.

Programs can be presented to booster organizations, parent-teacher organizations, service clubs, community organizations and coffee klatches.

Publicity

Once the levy story has been developed, it is the responsibility of the public relations committee to tell the story. When this happens it is a matter of timing and the personal preference of the board. The general rule of thumb is that the publicity campaign should begin 4-6 weeks prior to the election.

In the presentation of materials, do not threaten. Failure to follow through on cuts and reductions after a levy failure only results in the lack of district credibility. Even in the bleakest of times, a positive approach should be used, if at all possible.

The publicity committees must be adaptable in material preparation. Many times rumors begin or unanticipated questions are asked that need to be answered. It is important to be sensitive to issues that may be detrimental to the campaign's success.

Here are other suggestions for members of a publicity committee:

- Keep information simple.
- Release a series of news articles to the media (TV, radio, newspapers).
- Develop a telephone hotline to answer questions.
- Mail out community newsletters (paid for by solicited money).
- Place material in businesses.
- Use yard placards and bumper stickers.
- Use paid advertisements immediately prior to the levy on TV, radio and newspapers.
- Mention the tax issue in the Sunday bulletin of church if permissible.
- Make house-to-house contact. This approach is primarily used in an all-out type of campaigning. The goal is to make personal contact with voters to answer questions, encourage them to vote for the school issue, and to leave levy material. It is a time-consuming approach which must be well organized and requires a vast number of workers. Many districts opt for "block" coffee klatches held in homes with the neighbors invited. However, if you feel the tax issue in question necessitates maximum communication and personal contact, the house-to-house approach is best.

Frequently, school levy campaigns will include students who carry home flyers, make posters, or give presentations. The

publicity committee needs to be aware that this may "create a public forum." As such, anti-levy forces may attempt to make this an issue.

Statistical Analysis of Past Issues and Precincts

Much debate has been generated concerning when to place a tax issue on the ballot. It is vitally important to conduct a statistical analysis of past levy issues and how precincts voted. One should be aware, too, of other factors which may have an impact on the success or failure of the local issue; for example: other local issues being presented, presidential elections, state tax issues, sluggish economy and high inflation.

Local issue analysis: As mentioned, a statistical analysis will help you gain insight into your own district's past issues and voting precinct trends. This information can be obtained by following data for each tax issue voted upon for as many years as can be obtained.

TAX ISSUE – OPERATING
AMOUNT – 6.0 MILL NEW
DURATION – 5-YEAR EMERGENCY
DATE – NOVEMBER 4, 1986
PASSED/FAILED – PASSED

PRECINCTS	FOR	%	AGAINST	%	TOTAL
Canaan	85	57.4	63	42.5	148
Harmony	61	62.9	36	37.1	97
Edison	93	52.5	84	47.5	177
Congress	78	56.5	60	43.5	138
Mt. Gilead Village N.	219	68.7	100	31.3	319

By compiling this data one can draw several conclusions:

1. The success rate of the different tax issues.
2. Whether they were more successful on primary, special or general elections.
3. Whether emergency or continuing operating levies were more successful.
4. Which precincts turn out the greatest number of voters.
5. Which precincts were more positive toward the school tax issue.

Once the data has been obtained it can be used to help plan for the proposed issue under consideration. Let us assume an operating levy is to be placed on the ballot.

One example of how the data may be used is as follows:

- First list all the precincts vertically with the average "yes" votes from past operating levies.
- Increase the average by 10-15%. This is the target of total yes votes to be sought.

• Obtain from the board of elections a print-out of those who voted on past tax issues in your district.

• Analyze and discuss each precinct and its voters with individuals who know the precinct residents well. Try to analyze which voted on past tax issues in your district.

• Concentrate your energies primarily on those voters. It is essential to get them out to vote on the levy.

• Do not totally disregard other registered voters in the district. Other persons may need to be convinced to vote for the issue if the pre-set quota is to be met.

Obviously, there are different ways the data may be used depending on the district, the issue, and the creativity of the committee doing the statistical analysis of the past issues and the precincts.

Ohio issue analysis: Frequently, questions are asked about what tax issues are more easily passed and when. The chart titled "Analysis of State School Tax Issues" helps to answer those questions. By analyzing the past elections (since legislative changes in 1983 set the election dates for four times only), one can compare different tax issues and the months in which they were presented. To fully appreciate the chart, one should study it carefully. The data may be invaluable to those who have studied and know their individual districts well.

It should be noted that, overall, the success rate of tax issues has decreased since the beginning of 1986. (e.g.) 53% to 50%.

The months of February and August continue to be difficult times to pass school tax issues. Therefore, an analysis of these two months (see pages 31 and 33) via a recent questionnaire, will help the campaign leader who is organizing a levy effort in either February or August.

ANALYSIS OF OHIO STATE SCHOOL TAX ISSUES

(Summary of school operating levies, other levies, and bond issues since legislative changes in 1983 permitting election dates in February, May, August, and November only)

Type of Levy or Issue	FEBRUARY		MAY		AUGUST		NOVEMBER		Grand Total Number of Issues	Failed	Passed
	Number of Issues	Success Rate	Number of Issue	Success Rate	Number of Issues	Success Rate	Number of Issues	Success Rate			
A. CURRENT EXPENSE											
1a. Emergency - New*	42	38%	121	42%	31	19%	109	45%	303	60%	**40%**
1b. Emergency - Renewal	4	75%	63	94%	6	67%	35	86%	108	11%	**89%**
2a. Continuing Operating Levy	65	35%	259	47%	68	25%	263	49%	655	55%	**45%**
2b. Limited Operating Levy (1-5 yrs.)**	17	47%	96	56%	29	28%	109	52%	251	49%	**51%**
3 JVS Operating Levy (1-10 yrs.)***	2	50%	1	100%	0	0%	0	0%	3	33%	**67%**
B. OTHER TYPE LEVIES											
1. Permanent Improvement Levy	20	50%	156	62%	17	35%	251	62%	444	39%	**61%**
2. JVS Operating and Permanet Improvement Levy	1	0%	11	18%	1	0%	14	14%	27	85%	**15%**
C. BOND ISSUES	24	38%	99	39%	26	38%	152	55%	301	53%	**47%**
GRAND TOTAL	175	**41%**	806	**53%**	178	**29%**	933	**54%**	2,092	50%	**50%**

* ORC 5705.194 permits local, exempted village, or city districts to seek an operating levy for 1-5 years to provide for the emergency requirements of the districts or to avoid an operating deficit in meeting current operating expenses.

** ORC 5705.21 permits local, exempted village, or city school districts to seek an operating levy for 1-5 years or continuous basis.

*** ORC 3311.21 permits JVS school districts to seek an operating levy for 1-10 years.

FEBRUARY 1988 SCHOOL TAX ISSUE ANALYSIS

Type of Levy or Issue	Total Levies or Issues	Number Passed	% Passed	Number Failed	% Failed
A. CURRENT OPERATING EXPENSES					
1a. Emergency—New	8	3	38	5	62
1b. Emergency—Renewal	0	0	0	0	0
2. Continuing/Comb.	14	5	36	9	64
3. Limited	4	2	50	2	50
SUBTOTAL	26	10	38	16	62
B. PERMANENT IMPROVEMENT	2	2	100	0	0
C. OPERATING COMBINED with PERMANENT IMPROVEMENT	2	0	0	2	100
D. BOND ISSUES	0	0	0	0	0
GRAND TOTAL	30	12	40	18	60

Reasons Contributing to the Failure of the Campaign in February

A list of 23 reasons for possible levy failure was presented to the respondents who were not successful. Listed are the items most frequently mentioned for February.

Items Most Frequently Mentioned	Percent of Respondents Citing These Items Contributing to Failure
1. Voter apathy	68%
2. Poor economy	41%
January tax bills	41%
3. Unemployment	36%
4. Request too high	32%
5. Anti-levy forces	27%
6. General Assembly	14%
Weather (too good)	14%
Campaign too-low keyed	14%
7. Winter blues	9%
Campaign too short	9%
Competing levies	9%

Reasons Contributing to the Success of the Campaign in February

1. Lack of forthcoming state moneys
2. Reasonable request
3. Grass roots campaign effort
4. All school employees remained in the background—local community committees did work
5. Campaign centered on students
6. Theme
7. Consensus meeting with public to define issues
8. Use of computer-records, registration, absentee votes
9. Good organization
10. No more academic reductions without elimination of co-curricular activities
11. Strong door-to-door campaign with personal contact
12. More campaign viability—administration and board behind the scenes
13. Took on anti-levy groups with correct, dispassionate information
14. Many were on their 2nd, 3rd or 4th tries
15. Promised cuts in academic and athletic programming—several
16. Support of teachers' organization
17. Strong campaign chairperson and steering committee
18. Well structured in each precinct
19. Heavily endorsed by parents
20. Consistent message via TV, radio, newspaper
21. Prospect of consolidation with neighboring district
22. Involvement of 300 (non-school personnel) community members
23. Use of School advocacy groups (P.T.O., Senior Citizens, Churches, Booster Clubs, businesses, etc.)
24. Use of students as poll workers
25. Bumper stickers, yard signs, signs for buildings, etc.
26. Strong media support
27. Reduction of transportation
28. Involvement in real estate agents and developers
29. Highly focused campaign
30. Conducted a voter registration drive
31. Developed precinct teams organized by "levy leaders" to make telephone calls or personal contact towards "perceived positive voters"
32. Used poll "watchers" to see if positive voters voted, then made calls after 5 P.M. to remind them

AUGUST 1988 SCHOOL TAX ISSUE ANALYSIS

Type of Levy or Issue	Total Levies or Issues	Number Passed	% Passed	Number Failed	% Failed
A. CURRENT OPERATING EXPENSES					
1a. Emergency—New	23	5	21.7	18	78.3
1b. Emergency—Renewal	0	0	0	0	0
2. Continuing/Comb.	31	3	9.7	28	90.3
3. Limited	10	5	50	5	50
SUBTOTAL	64	13	20.3	51	79.7
B. PERMANENT IMPROVEMENT	2	0	0	2	100
C. OPERATING COMBINED with PERMANENT IMPROVEMENT	1	0	0	1	100
D. BOND ISSUES	3	2	66.7	1	33.3
GRAND TOTAL	70	15	21.4	55	78.6

Reasons Contributing to the Failure of the Campaign in August

A list of 23 reasons for possible levy failure was presented to the respondents who were not successful. Listed are the items most frequently mentioned for August.

Items Most Frequently Mentioned	Percent of Respondents Citing These Items Contributing to Failure
1. Voter apathy	71%
2. Unemployment	62%
Poor economy	62%
3. Campaign too-low keyed	52%
4. Request too high	48%
5. Anti-levy forces	38%
6. Board split on levy	29%
Too little campaign money	29%
Weather (too good)	29%
7. Tax bills	24%
8. General Assembly	24%

Reasons Contributing to the Success of the Campaign in August

1. More money to campaign
2. Hired marketing expert
3. Non-involvement of Board
4. Specified cuts
5. Reduced personnel
6. Positive theme
7. Flooded media with endorsements and advertisements
8. Involved more parents
9. Two, tireless campaign leaders
10. Only one issue
11. Only issue on ballot
12. Targeting positive voters
13. Absentee ballots-key-carried absentee ballot by 75.5% and that was the key their less affected by home issues, weather, etc.
14. "Stay at home" bond issue
15. Involved many people
16. Positive
17. Staff reductions, hours, etc., stop transportation, no sports, extra-curricular
18. TV coverage
19. Letters to editor
20. Fear of being taken in the state loan fund and losing local control
21. Excellent team
22. Public well informed
23. "Forced parents"—no extra-curricular, cut transportation, cancel field trips, etc.
24. Good strategy, organization and leader
25. Only one on ballot
26. More community involvement

Voter Registration

As was mentioned previously, it is important to get the positive and/or pro-school voters to the polls. The voter registration committee must concentrate on those individuals who are not registered and are perceived to be favorable to the schools. Generally, this would include those 18 years-old who are presently in school, past graduates who are enrolled in colleges and universities or are in the military, parents of pre-school children, and parents who have children in school. Make a list of these individuals. Obtain a voter registration list from the board of elections. Find out whose name is not on the list. If it is perceived that they are positive toward the school, make contact and encourage them to register to vote. For the college students or those in the military, send them registration information so they can vote by absentee ballot.

Telephone Committee

The responsibility of the telephone committee is basically twofold: to provide a telephone hotline and to make telephone calls to potentially positive voters immediately prior to the election.

The telephone hotline is an easy method for individuals to ask a variety of questions regarding the tax issue in question. The telephone number should be well publicized along with the time to call.

In most instances, school officials will answer the inquiries. If other individuals are involved, they should be well-versed in the specifics of the tax issue. All telephone calls and questions should be logged. It may be necessary to research a caller's question to provide the correct answer.

The second, and perhaps most important, responsibility of the telephone committee is to make telephone calls to the perceived positive voters immediately prior to the election day. The procedure is as follows:

1. Obtain the list of perceived positive voters of each precinct as analyzed by the committees on statistical analysis.
2. Make a list of 10-15 names with telephone numbers. Disseminate the list of callers. This is a good task for the district's teaching and non-teaching employees since many callers are required.
3. Have the caller start 2-3 days prior to the election day.
4. Note whether contact was made.
5. The caller should identify himself by mentioning that the school has a tax issue on the ballot. The caller should not ask them to vote for the school tax issue. For many individuals, how they vote is a private, personal matter. They do not want to be told how to vote.

Do not underestimate the importance of making telephone calls to pro-school voters prior to election day. The key is getting out the positive voter. In doing so, a district can greatly increase their chances of success.

Record-keeping for the Board of Elections

After the election, the campaign chairman should procure the Political Committee Finance Report from the board of elections. The report includes forms of all note contributions and expenditures. If any expenditure is over $25.00, a statement must be submitted as proof. If there is no balance on hand, a termination statement of the campaign committee is completed.

Expressions of Appreciation

Win or lose, campaigning for a school tax issue takes a large number of workers. "Thank you's" may be expressed differently, based on the amount of work and responsibility assumed by individuals. The following is one method of presenting the appropriate thank you's.

1. Present plaques to the chairperson(s) or campaign coordinator.
2. Present framed certificates of appreciation to persons who served on the campaign advisory committee and to those who chaired subcommittees.
3. Present similar letters of thank you to the many campaign workers who performed the countless tasks required.
4. Thank you's should be given to the voters through the media. In most districts this is done through a paid advertisement in the local newspaper or by a letter to the editor.
5. Present letters of appreciation to individuals, businesses, and clubs and organizations who endorsed and/or financially supported the levy.

Review and Wrap-up

An important function of any campaign is the final review and wrap-up. This will greatly benefit future tax levy campaigns.

The campaign committee needs to review the campaign, win or lose. If the issue passed, make a list of the reasons why you believe it did. If it failed, make a list of the reasons why, and how they may be resolved for the next campaign.

Keep a record of all meetings held by the campaign committee. The minutes will contain a lot of ideas and strategies that may be forgotten with time.

Each subcommittee should keep a record of all activities. Programs, brochures, handouts, statistical information, voter registration lists, expenditures, endorsements and telephone lists should be maintained. This can best be organized with file folders appropriately marked: resolutions, campaign committee meeting minutes, finance (receipts and expenditures), levy message and programming, speakers' bureau, publicity, statistical analysis of precincts and past issues, voter registration, telephone contacts, record-keeping for the board of elections, appreciation and review and wrap-up.

Preparation for Future Campaigns

Good communications must continue year-round. Develop a program based on not only public relations, but public infor-

mation as well.

After the successful election, make good on your election promises. If you talked about needed textbooks and equipment, purchase them. Make sure the voters are well aware that the money is being spent for what it was intended. As mentioned earlier, one of the key questions asked during the campaign is, "How were past moneys spent?"

After a well-earned rest from the rigors of campaigning, the school district should continue to hold periodic coffee klatches, mail monthly newsletters, and develop general presentations on its schools to present to clubs and organizations. Failure to continue aggressive communications may indicate to the voter that "the only time we hear from the schools is when they need more money!" In a sense, you should always be campaigning for the next tax issue.

CHAPTER 3
Case Studies

Dayton Public Schools

Jill Moberley, Public Information Officer
15.27-Mill Operating Levy

Theme

Our Investment Is Paying Off

Background

On May 3, 1988, Dayton voters approved a 15.27-mill levy by the highest margin since 1963. Issue 14 was the first permanent school operating levy to be passed in Dayton since 1971.

Five years ago, the district faced a deficit of $13.9 million and was forced to borrow $9 million from the state emergency loan fund just to keep schools operating at minimum standards. The 1983 investment made by Dayton voters resulted in new textbooks, rising test scores, more stringent graduation requirements, an extended gifted education program and competitive teacher salaries. Needed building repairs and renovations were made to maintain safe and attractive buildings, and the addition of computers in the classrooms helped prepare students for education and work in the next century.

The campaign focused on promises kept during the last five years, since passage of a five-year emergency operating levy (9.94 mills) in 1983. Passage of the 15.27-mill levy would bring stability to the district and allow schools to continue the innovative programs and student achievement gains made since 1983. Significant effort was made during the campaign to educate voters that only 6.2 mills were new money; the rest represented a renewal of the 1983 emergency levy.

Organized opposition to the levy came primarily from a citizen's group that was opposed to busing for desegregation under the district's current court order and favored a return to neighborhood schools. Messages also were targeted to separate the issues of busing and school finance.

Promises Kept

The Dayton Board of Education adopted seven goals, or promises, on April 20, 1983, pending passage of the June 7 emergency operating levy. During the 1988 campaign, voters

were informed of the district's success in meeting each goal during the last five years.

- pay off the district's state loan
- increase staff training and accountability
- achieve computer literacy for staff and students
- improve curriculum and test student competency
- create a preventive maintenance/energy maintenance program to ensure safe and proper facilities and protect the public's investment in the district's facilities
- establish a model for citizen participation in the Dayton school system
- achieve fiscal stability through a comprehensive five-year program

Levy Need

Amended Substitute House Bill 920 (10/76) literally stopped increases in revenue to schools as a result of increased valuation of property. When inflation continues, and there is no comparable increase in revenue, school districts are forced to go to the voters to seek additional funds to offset the lack of growth in revenue. In addition, school districts could no longer count on state foundation allocations to compensate for part of the lack of growth in property taxes. While districts had depended upon earlier increases of up to 10 percent, the increase for the fiscal year was only 2.2%. A 4% increase was projected for FY 89. Projected increases beyond FY 89 were at 5% each. The Ohio Lottery provides very little funding—only 3.5% of the cost per pupil to educate Dayton students.

The district sought to further reduce costs by examining alternatives to reduce premiums paid for health insurance, as well as through competitive bidding procedures, cooperative purchasing with area schools, and an energy management program. Failure of the levy would result in a loss of $23 million each year, beginning January 1, 1989—a total of the $13.5 million being collected from the five-year emergency levy, plus the desperately needed $9.5 million additional request (6.2 mills). The district had a projected budget of nearly $135,000,000 for the calendar year 1989. Such a loss would require a reduction of over 900 of our 2,914 staff members to balance the budget. The district would be forced back into the state loan fund to borrow enough money to employ the minimum staff, approximately 450 staff members more than we would have funds to pay. Repayment of a loan, with interest, would result in higher and more frequent levy requests.

Research

An attitude survey conducted by Wright State University in January 1988, indicated that respondents had high regard for Superintendent Smith and had perceived noticeable improvement in the public schools. Those polled noted a climb in student reading achievement scores and linked qualified high school

graduates to the area's ability to attract new jobs. The poll also revealed a respect for Dayton teachers and strong citizen support of a pay increase for teachers. The campaign focused on the fact that money from the levy would enable a continuation of student gains made over the last five years and result in a salary increase for teachers.

Levy Decision

On January 21, the Dayton Board of Education voted to place a 15.27-mill continuing operating levy on the May 3 ballot. The levy would replace the 1983 temporary emergency levy, which expired on December 31, 1988, and would generate an additional 6.2 mills. It would provide $23 million a year to support current instructional programs.

Financial Support

Success of the levy fund-raising campaign was key to the issue's success at the polls. A commitment of $120,000 from Dayton's business community was realized with the strong leadership of Mead's chief executive officer, who served as chairperson of the fund-raising committee. Another $50,000 was pledged by the Dayton Public Schools employees. Staff members were encouraged to contribute one mill (one-tenth of one percent) of their annual salary to the campaign. These contributions, combined with proceeds from an employee rally, brought in more than $53,000, thanks to strong support from the Dayton Education Association and other employee groups. Other fund-raising activities were planned through an employee fund-raising committee.

A major portion of the campaign budget ($98,000) was used primarily to place paid campaign messages in the electronic media, especially television. The media buys included a five-minute address from the superintendent to district voters which was broadcast during the evening news on election eve.

Communicating Our Need To The Voters

Through the combined use of free and paid media, strong grassroots support and a wholehearted response from the corporate community, a clear district message was carried to Dayton voters. • The campaign was built around "better teacher pay, *basic* quality education and higher property values." • The core group, Citizens For Dayton's Future, provided the strategic and volunteer support for targeted literature drops, telephone surveys, voter registration, mailings, yard signs, voter identification, special media events and formation of a speakers' bureau. • Consultants were hired by the district to assist with the overall strategy, including media buys, and to run the day-to-day operations from levy headquarters. • Two blue-ribbon committees were formed to issue reports on the fiscal and instructional status of Dayton Public Schools. • Endorsements were obtained from a long and diverse list of community organizations and public

officials. • An audiovisual presentation was produced by district staff with assistance and support from Wright State University and the Dayton-Montgomery County Public Education Fund. This production, coupled with a levy question-and-answer booklet, became valuable to the levy speakers' bureau during presentations to parents, retired voters, clergy, business leaders and other community residents. • Paid campaign spots (television) featured Dayton students and Superintendent Franklin L. Smith, and a series of public service announcements produced by district staff prior to the campaign helped pave the way for the paid levy message. • Congressman Tony Hall's leadership as levy co-chair with State Representative Tom Roberts, provided added credibility to the district's campaign.

Outcome

The final official tally of the vote was 21,245 (56%) **for** and 16,639 (44%) **against.** This election marked the widest margin of victory in a school levy issue since 1963.

Post-Election Analysis

The unprecedented outpouring of community support sent a clear message to the voters—education is a top priority in the Dayton area; it is vital to our economic development, neighborhood revitalization and the safeguarding of property values. The success of our fund-raising campaign, strong grassroots support and the contributions of the business community were evidence of the city's commitment to high-quality education for Dayton students. Dayton's priority board system provided strong neighborhood leadership, which proved valuable to the campaign's door-to-door efforts. The support of the Dayton Police Department and a steady stream of endorsements from community organizations and political officials contributed to the credibility and momentum of the campaign. Finally, the willingness of district officials, city representatives and other volunteers to present the facts of the campaign and respond to the voters' questions contributed to the diffusion of opposition groups.

A stronger, more positive district image helped set a tone for the levy that continued through the campaign. Dayton citizens saw progress in Dayton Public Schools and voted for a continuation of the programs that are helping students prepare for the 21st Century. The progress continues; the investment is paying off.

Pike-Delta-York Local Schools

Thomas Shumaker, President, Board of Education
Roger Morr, Campaign Chairperson
James Garber, Superintendent

Theme

"Make Our Day — May 3rd"

Background

Pike-Delta-York Schools are heavily reliant on state funding. The district receives over 60% of its revenue from state resources. The system ranks 470th in the state for tax valuation per pupil.

School issues have been approved grudgingly in the past. A high school bond issue was approved in 1973 after seven attempts. An 8.2 mill continuing operating levy was defeated in February of 1988 by a vote of 604 to 959.

The Pike-Delta-York Schools received permission in September of 1987 to receive a $266,000 loan from the Emergency School Advancement Fund to meet operating expenses for the 1987-88 school year. The Ohio State Auditor's Office certified the need for this loan.

The Board of Education made cuts in July of 1987 which saved the district nearly $100,000. Part of this savings was realized by the closing of Pike Elementary School which housed approximately 175 students.

Levy Needed

Pike-Delta-York Schools had planned on spending approximately $4.5 million to operate during 1987-88. Over 90% of the general fund budget was committed to salaries and related costs.

In September of 1987 the auditor submitted an Amended Certificate of Estimated Resources which listed $4.3 million of revenue. Upon study by school officials, it was discovered that the district's homestead and rollback taxes had been counted as state *and* local receipts. The State Loan Fund was the only available borrowing mechanism which would allow us to borrow $266,000.

Also in September the county auditor notified us that we would lose tax dollars because of a reassessment of agricultural land values. We also received a higher than expected increase in our health care rates. Finally, the State of Ohio's frugal biennial budget contained a very small increase for our district.

The February Campaign

Public informational meetings were held at each of our four buildings. Attendance at these meetings was poor. The

superintendent talked to most of the district's service clubs during January.

The most successful component of this campaign was our voter registration drive. We concentrated our efforts on registering parents of school age children. Teachers used voter lists from the Board of Elections to identify unregistered parents. Voter registration forms were sent home with elementary students. Parents of junior and senior high students received their forms through the mail. School secretaries registered over 200 voters as the forms were returned to school.

The May Campaign

The Board of Education reviewed cost-savings measures in February and March. The Board passed a resolution which spelled out what would happen if the levy failed. The resolution cut bussing to state minimum requirements for 1988-89. All supplemental contracts were non-renewed before the April 30 deadline. The Board promised to reinstate the contracts and normal bussing if the levy was successful.

Five committees were formed for this campaign. Each committee had specific tasks and deadlines to meet during the campaign. The committees were chaired by current or former Board members. Weekly meetings were held on Friday mornings to check on the progress of each committee.

The finance committee raised funds by soliciting funds from school employees and vendors. A half-mill club was created for employees which asked them to donate 50 cents for each thousand dollars earned. Certificates were presented to employees joining the half-mill club.

The publicity committee played a major role in the success of the campaign. Over 40 neighborhood meetings were held in the school district to explain the need for the levy. Residents hosting a meeting invited 10 to 12 neighbors to attend these evening meetings. Board members and administrators were the featured speakers.

Our teachers' association did an outstanding job with our publications committee. They prepared 2,600 informational flyers for door to door distribution. A bulk-mailer was designed and sent to all district residents detailing our district's needs.

Our public relations and distribution committee may have been the most important factor in this campaign. Over 500 signatures were obtained of Pike-Delta-York citizens who supported the levy. These signatures were printed in two local papers. The committee distributed over 1200 yard signs during the week before the election. Finally the day of the election the committee telephoned registered "positive" voters to remind them to vote.

The voter identification committee concentrated their efforts on college students. They made sure the students were registered to vote and sent them absentee voter ballot request forms.

On May 3, 1988 the citizens of Pike-Delta-York "made our day" by approving the levy request 1,159 to 1,023. Thank you letters

were sent by the superintendent to all of the people who worked on the levy.

Conclusion

It was difficult to get citizens to help during the unsuccessful February levy campaign. The potential elimination of extra-curriculars and state minimum bussing got many citizens involved in the May campaign.

The neighborhood meetings and the endorsement page were two of the most important factors in the passage of the levy. People listened to the need and were willing to sign their names in support of the levy. The active involvement of our citizens made the difference in May.

Four County Joint Vocational School District

Otto Meyer, Superintendent

Theme

"Vote Yes 4 JVS"

Establishment of Need Factors

The last levy for operational expenses passed by the district was in 1979 and had been estimated to sustain the district without additional local revenue for from three to five years. It was now nine years later, this was a great selling point. Additionally, the starting salary schedule of the vocational school district was very close to the starting salary of the state minimum salary schedule. Projections also easily indicated a rapidly declining cash balance ($0 to $200,000 by end of fiscal year and $0 balance at end of calendar year).

Substantiating Need Factors

Joint Vocational School Districts have an additional constituency from the comprehensive school — the member school districts that comprise the vocational education planning district — the VEPD. Presentations were made to the superintendent's group — the principal's group and the guidance counselors' group to help underscore the need.

We used fiscal projections covering the entire nine year history since the last levy for additional operating funds to show the need pattern. We spotlighted the fact that the reduction factor had reduced the effective collection rate on class 1 and 2 properties to the same collection rate that had required the district to be on the ballot in 1979. We rationalized that the 1. mill request was a legitimate request based on the following factors. A) The 1. mill request 2 mills voted was a request for a 50% increase, however, it was not the largest percentage request. B) This was only the third request for an increase in taxes in the twenty-two year history of the district — 1971 — .6 mill request — 55% increase over 1.1 voted in 1966. 1979 — .6 mill request over 1.4 mills, a 45% increase. (The 1.7 mills had been reduced to 1.4 by action of the combined Budget Commissions.) C) The service provided by the JVSD — 74.706 high school and adult age students. D) Providing twenty-nine different vocational course offerings as compared to three at the most at any one member school — in effect we are an extension of their course offerings.

E) That we are the largest trainer of the pool of skilled workers — 500 graduates per year. F) The increased cost of doing business in the nine years since the previous levy. Beginning teacher salary schedules up $9,600 to $15,800 a 65% increase.

The Campaign Strategy

Key campaign persons from each of the four major counties were contacted and agreed to serve as the campaign committee. A former president of the Four County Board of Education agreed to serve as the chairperson of the committee. This committee held two meetings. One as soon as the campaign information was somewhat identified. The J.V.S. Superintendent and his secretary served as the committee's secretary. At the first meeting of the committee, all the possible avenues of communicating the message were discussed. The major thrusts of the campaign were to be communicated through the following methods.

1. Several campaign theme suggestions were presented with the theme indicated above being chosen. An additional theme to be placed on all correspondence and letters was chosen: "Say Yes to JVS."
2. The majority of this was to be spent locally — newspaper and radio — rather than large billboards placed throughout the Four County area as the Mental Health Board had done the previous fall — members felt that this looked like too much money was being spent even though it was not public money.
3. 4' x 4' signs with the campaign theme "Vote Yes 4 JVS" were to be developed on material (hopefully donated ¾" flake board). A total of 46 of these were produced and placed. Members of both classified and certified staff helped located placements and drove the posts and bolted the signs to the posts.
4. Radio spots (30 second) with former students, both adult and secondary told their reasons for requesting a positive vote for the levy. These were to include as many spots as the funds collected would permit.
5. A Speakers Bureau consisting of six administrators oriented to the campaign material (one short presentation — 5 minutes; one long presentation, —20 minutes were prepared). Throughout the campaign 47 short presentations were made to parent groups and social and fraternal clubs and 34 long presentations were made to these groups which included the entire student body at the J.V.S.
6. Voter Registration of students was completed by the Social Studies Instructors.
7. We sponsored a Building Trades Open House and a Spaghetti Dinner on Sunday preceding the Primary Election day (largely with donated ingredients) that registered approximately 2,000 persons on the day.

Staff Participation

During this levy campaign a substantial number of staff members worked to insure the passage of this levy. Their efforts were organized according to their county of residence. Since the Vocational Planning District covers four counties, Defiance, Fulton, Henry and Williams, there were four concentrated efforts coordinated by a member of the Four County Administrative staff.

The staff efforts in each county included three basic functions; donation of money to cover levy campaign expenses, 4' x 4' sign location and placement, plus the distribution of campaign materials.

The donation of money was coordinated in each county by the chairperson of the county group and each staff person who resided in that county was asked to donate $1 per $1,000 dollars of income. Example: $20,000 salary would yield a donation of $20 by the staff member.

The staff groups in each county were responsible for securing the location and then erecting the 4' x 4' signs that were used to advertise the levy. Each location was carefully chosen to insure maximum exposure to passing traffic. If these signs were placed on private property, the staff member erecting the sign was responsible for gaining permission to use this private property.

The distribution of campaign materials was also accomplished by the county staff groups. This material was placed in mailboxes and/or handed to school district residents at their homes.

During this levy campaign the staff participation was an integral part of the successful passage of the levy.

Gaining Community Support

1. In addition to the above activities, the member school superintendents agreed that we could distribute the campaign material through their students. This saved the campaign committee several thousand dollars that otherwise would have needed to be spent in newspaper insertions. This included seven of the 22 districts that had issues for their own districts on the ballot allowed this distribution of material.
2. The Emergency Medical Technicians who receive their training through the vocational center actively promoted the levy in their communities.
3. Unanimous approval of the vocational board was requested by the campaign committee and received from the Board of Education.
4. The spring advisory committee meeting (with approximately 540 members) was scheduled and held one-week prior to the primary election.
5. The staff, both classified and certified, provided the strongest support that we had had in previous two elections.
6. The levy campaign theme was prominently used throughout the campaign both visually and verbally.
7. The utilization of key leaders in each of the counties.
8. The Four County Board of Education passed a resolution supporting each of the other seven operating levies on the ballot, and some of the member schools also endorsed the Four County levy.

Conclusion

On election day we experienced some situations we had not anticipated. These situations included the placement and color of the levy issue. In some instances the levy issue was printed on colored paper while other counties had the levy issue printed on white paper.

The position of the levy issue was different in each county since some counties had very little to ballot while others had multiple issues for the voters to consider. Considering both the color and the positioning of the ballot, we feel we should have had poll watchers in place to alert voters about the levy issue and where this issue could be found as they followed the prescribed voting procedures.

The levy did pass by .03 of a percent and this small margin caused a required recount procedure as mandated by Ohio election laws.

The result of the recount procedure did support the narrow margin of victory for the levy and the Four County Joint Vocational School District will move forward and continue to provide quality education for the Four County area.

Morrow County Board of Mental Retardation and Developmental Disabilities

William L. Crawford, Superintendent
Trent Snyder, Board Chairman
James Seckel, Levy Chairman

2.5 mill operating operating levy (November, 1987)

Theme

"Your Help Gives Hope"

Background

The Morrow County Board of Mental Retardation and Developmental Disabilities had a ten year .7 mill levy which was to expire at the end of 1988 and it was obvious that a simple renewal would have the best chance of voter passage in this basically rural, high unemployment county. However, it was equally obvious that a five year 2.5 mill levy was necessary to meet current operating costs and the needs of a steadily increasing enrollment.

Levy Need

1. The increasing enrollment of infants through senior citizens was graphically and pictorally demonstrated. Meeting enrollment needs was translated into related needs for more staff, more buses, more space, materials and equipment.
2. The need to repair/replace/maintain what the voters had previously supported was emphasized, including the school's badly leaking roof and aging buses. Also the need to maintain current staff, replace outdated materials and equipment, and meet basic operating costs which had risen dramatically over the past ten years since voters approved the .7 mill operating levy support.

Levy Decision

After extensive research and informal opinion polling of a select cross-section of voters, it was determined:

1. To go on the ballot at the earliest possible time (November, 1987), while avoid being on the ballot at the same time as Mental Health and area schools.
2. To ask voters for an additional 2.5 mills with the understanding that the .7 mill would be allowed to run out and not ask voters to renew.

Levy Planning

A systematic public awareness campaign was initiated one year prior to going on the ballot. Board meeting news releases emphasized programs, cost-saving techniques being implemented to stretch taxpayers dollars and other positive image, non-controversial aspects of services being provided to meet the needs of this county's disabled population. Also, public awareness, human interest and success stories appeared weekly in newspapers throughout the levy planning year.

Communicating the Need to Voters

Recognizing that the voters we needed to reach are scattered through this predominantly rural county vs. concentrated within the boundaries of a "school district", presented a special challenge. Also, there are no T.V. nor radio stations, and no daily newspapers in this county. Therefore, communicating awareness and need was carried to the public utilizing the resources available.

Levy Campaign

The campaign committee was selected which represented board, staff, parents and known individuals from every geographic area within Morrow County. Influential groups were identified, talked with and responded to. These included the county's ministerial council, merchant's association, granges, service clubs and organizations, public school administrators and their staffs, as well as county, community and township governing bodies, newspaper editors and publishers. Border county radio stations and newspapers provided public announcements and articles. Most of the county's churches cooperated by allowing an informational insert in their church bulletin as well as promoting program talks to their respective congregations. Area restaurants promoted the levy by using our human interest story placements. Post-election day feedback would suggest that in this county the slide/tape program orientation show, followed by a one-page fact sheet handout, were the most powerful influences. It should be noted that the levy and dollar needs were never emphasized, and we closed all slide-show talks with the statement: "We honestly believe if the people of Morrow County are helped to understand what services they are helping to make possible, the levy will take care of itself."

During the intensified three months prior to voting day, 83 groups were provided with the slide/tape program and speaker to answer questions. Each group was encouraged to help by educating others.

The levy brochure and fact sheet gave one-third of its message space to levy cost and financial status. They were designed to be concise, clear, and noticeably inexpensive. Yard signs, bumper stickers, buttons (most commonly associated with political campaigning) were discouraged. No threats were made about cuts, etc. should the levy fail. This positive approach was used throughout the campaign consistently.

Allow for the Unexpected

Just because we received consistently positive feedback from groups, telephone surveys and people in-the-know, we felt it was important to not delude ourselves and "let down" in the campaigning thrust or intensity. In our situation, many township-priority issues surfaced at the final hour which were unexpected. Secondly, the county's largest industrial employer (impacting upon 750 Morrow County families) announced that a foreign firm was considering buying them out. Thirdly, "Black Monday" on the New York Stock Exchange caused another wave of insecurity within the final month before voting day.

Levy Results

This economic insecurity, building up to voting day, caused most levies within the county to fail (even such good causes as fire, life squad, etc.). The Board of MR/DD levy, which we anticipated should pass with 75-80% support, did pass but only by a simple majority.

Post-Levy Activities

While celebrating the success of our campaign efforts, we believe our post-levy activities were equally essential. Personalized thank you's were prepared before voting day for timely activation to all workers, backers, endorsers, contributors and the general public. Our second commitment was (and is) to tell the public that their support made possible the buses, roof repair, space and staff to meet the needs of the population we are committed to serve.

Conclusion

Because we tend to surround ourselves with people who know the agency and its merits, we need to be reminded that the vast majority of voters really do not know, or has misconceptions. It is our on-going responsibility, not just at levy time, to be responsive to the public who needs and deserves to know what their tax dollars are making possible.

CHAPTER 4
Overview of Tax Issues

The charts on pages 53 and 54 give an overview of operating levies, emergency levies, J.V.S. levies, permanent improvement levies and bond issues.

OVERVIEW OF TAX ISSUES FOR SCHOOL OPERATIONS

	OPERATING LEVY R.C. 5705.21	EMERGENCY LEVY R.C. 5705.194, .195, .196	J.V.S. R.C. 3311.21	PERMANENT IMP. LEVY R.C. 5705.21	BOND ISSUE R.C. 133.18
PURPOSE	Single Purpose: Current operating expenses	Single Purpose: To provide the emergency requirements of the district or to avoid an operating deficit	Multi-Purpose: Current operating expenses, permanent improvements, or both	Single Purpose: Pay-as-you-go for permanent improvements only with a life expectancy of five years or more	Single Purpose: Deferred payment plan for permanent improvements only with a life expectancy of five years or more
DURATION	Continuous or 1-5 Years	1-5 Years	1-10 Years	1-5 Years	Bldgs. 5-25 Years Real Est. Max. 30 years.
ANTICIPATION NOTES ISSUED BEFORE NEW LEVY IS COLLECTED	50% of the revenue collected from the first year of the new levy	100% of the revenue collected from the first year of the new levy	50% of the revenue collected each year up to five years	50% of the revenue collected from the total levy	Notes in anticipation of bonds
BOARD APPROVAL	2/3 vote of membership	majority vote of membership	2/3 vote of membership	2/3 vote of membership	2/3 vote of membership
TIME LIMITS FOR BOARD ACTION ON RESOLUTION	75 days prior to election	80 days prior to election (First Action)	75 days prior to election	75 days prior to election	110 days prior to election (First Action)
SUBMISSION OF RESOLUTION TO BOARD OF ELECTIONS PRIOR TO ELECTION	75 Days	75 Days	75 Days	75 Days	75 Days

	OPERATING LEVY R.C. 5705.21	EMERGENCY LEVY R.C. 5705.194, .195, .196	J.V.S. LEVY R.C. 3311.21	PERMANENT IMP. LEVY R.C. 5705.21	BOND ISSUE R.C. 133.18
ALLOWABLE ELECTION DATES	1st Tues. after the 1st Mon. in Feb., May, Aug, or Nov.	1st Tues. after the 1st Mon. in Feb., May, Aug, or Nov.	1st Tues. after the 1st Mon. in Feb., May, Aug, or Nov.	1st Tues. after the 1st Mon. in Feb., May, Aug, or Nov.	1st Tues. after the 1st Mon. in Feb., May, Aug, or Nov.
NUMBER OF TIMES LEVY MAY BE PRESENTED PER YEAR	3[1]	3[2]	No limit stated	3	2[3]
SCHOOLS THAT ARE APPLICABLE	City, Exempted Vill., Local, JVS	City, Exempted Vill., Local, JVS	JVS	City, Exempted Vill., Local, JVS	City, Exempted Vill., Local, JVS

[1]R.C. 5705.21 restricts levies to submission at not more than three special elections in any calendar year for either levies under Sections 5705.21 or 5705.194 combined.

[2]R.C. 5705.194 restricts levies to submission at not more than three special elections in any calendar year for either levies under Sections 5705.21 or 5705.194 combined.

[3]R.C. 133.18 restricts bond issues submissions to not more than two special elections in any calendar year.

Please Note: The reader is cautioned to determine if legislative changes, since publication, alter the above information.

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